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DE RUEHVB #0427/01 1221309  
ZNR UUUUU ZZH  
P 021309Z MAY 07  
FM AMEMBASSY ZAGREB  
TO RUEHC/SECSTATE WASHDC PRIORITY 7622  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

UNCLAS SECTION 01 OF 02 ZAGREB 000427

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E.O. 12958: N/A

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TU,UNMIK

SUBJECT: STABILITY PACT TRANSITION: SEECF AGREES ON RCC SECRETARY  
GENERAL AND SECRETARIAT LOCATION NOMINATIONS

Ref: A) Brussels 1253 B) Zagreb 184

11. (SBU) Summary: Stability Pact-SEECF meetings April 24-25 in Zagreb yielded consensus on the final institutional documents related to the creation of the proposed Regional Cooperation Council (RCC) as the successor to the Stability Pact in early 2008. Consensus with respect to the nomination of Croatian Foreign Ministry State Secretary Hido Biscovic as the first Secretary General (SG) of the RCC and for Sarajevo as the location of the RCC secretariat was delayed until Serbia, which saw its bids for the

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secretariat and for the SG fail, finally concurred on the April 30

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decision deadline. Planning continues for the May 11 SEECF Prime Ministers meeting in Zagreb, to be proceeded by meetings of the SEECF Political Directors on May 9, with the Stability Pact Regional Table and the SEECF Foreign Ministers following on May 10. With the RCC SG and locations decided, maneuvering within the SEECF is now focusing on the leadership of the proposed RCC liaison office in Brussels, with Serbia and Bulgaria the initial competitors to place one of their nationals in the position. End Summary

12. (U) IWG: Despite concerns over a change of Serbian nominees for the SG post after the original March 31 deadline (Ref A), the April 24 Stability Pact-SEECF led Institutional Working Group and the April 24-25 SEECF Political Directors meetings proceeded smoothly. The IWG was able to conclude work on the RCC statute, which was adopted by consensus and transmitted to the SEECF Poldirs for incorporation into the documents being prepared for the May 11 Summit.

13. (U) Discussion focused on the IWG task of formulating the RCC statute and touched on the uncertainty of the SG candidacies. There was concern and disappointment over Serbia's handling of its nominee for the SG position, which might leave only one candidate and revealed the thinness of the regional cooperation leadership pool. However, the group recognized that resolution of the SG and RCC location issues resided, as agreed, with the SEECF as a requirement of regional ownership and leadership. The sole contentious issue to arise in the IWG involved a strong and successful Greek effort to ensure that the proposed RCC Secretariat liaison office be clearly associated with the task of representing the SEECF to the EU (and NATO) in Brussels.

14. (U) A number of key Stability Pact donors (Norway, Germany, Austria, US, and the European Commission) had concerns about the SG situation, and the Norwegian rep (Amb. Gieselen) raised the issue of the candidates' availability during the transition period leading up to February 2008. IWG co-chair Grigic (representing the SEECF) noted that, while the agreed procedures and RCC statute did not address the issue specifically, both candidates would be available to meet the needs of the transition.

15. (SBU) PolDirs on RCC Location: The Political Directors discussion, chaired by Croatian Foreign Ministry State Secretary (and RCC SG candidate) Biscevic, focused first on the RCC secretariat and Secretary General decisions before moving to work on Zagreb Summit

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documents. The issue of the RCC location was addressed in a straight-forward discussion and tour de table. Sarajevo received a near consensus, with the Moldovan rep, apparently with instructions to support Belgrade, opting to consult with Chisinau, joining consensus the next day. Serbia, with its bid receiving no support, indicated that it would take a position on April 30, the agreed deadline for deciding the PolDir recommendation to the SEECP FMs.

16. (SBU) PolDirs on the SG: The discussion of the SG issue was more involved, complication by a review of the validity of the substitute Serbian candidacy. After discussion, a consensus emerged to accept the second candidacy (former Serbian Ambassador to Croatia Simurdic) for consideration and to proceed to a decision. During the discussion, Stability Pact Special Coordinator Busek responded to a request for his views. He reviewed the Serbian handling of its nomination, and acknowledged his own efforts to promote a Serbian candidacy to ensure competition and a strong regional candidate. He endorsed Biscevic as the best candidate and as someone to whom he would be proud to pass the Stability Pact legacy. The Biscevic candidacy then quickly gained a near consensus. Moldova demurred in order to seek guidance from Chisinau, again joining consensus the following day. Given the impending defeat of its candidate, Serbia again reserved its position until the April 30 deadline for a final PolDirs decision. For his part, Biscevic handled the meeting respectfully and impartially as Chair, and expressed his personal commitment to the regional cooperation challenge should his nomination be confirmed.

17. (U) SEECP Foreign Ministers Meeting and Summit Planning: The list of likely Summit attendees is evolving, and now includes German Chancellor Merkel, EU Commission President Barroso, Enlargement Commissioner Rehn, European Parliament President Pottering, Stability Pact Special Coordinator, UNMIK/Kosovo SRSG Ruecker (likely to be accompanied by Kosovo's PM Ceku), and UN Special Envoy Ahtisaari's Deputy Rohan. The initial Croatian decision to invite

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representatives from only the five major donors to the RCC Board provoked a protest from Slovenia, and now all ten RCC donor governments will be included in the program. The latest version of the draft Zagreb Declaration does not include a Russian, although Amb. Grigic had indicated to Stability Pact interlocutors in late March that Russian Foreign Minister Lavrov would be invited as well.

18. (SBU) Comment: This first phase of the Stability Pact transition is nearing a close. The stage is set for the SG and location nominations to receive Stability Pact Regional Table concurrence on May 10 and final SEECP endorsement via FMs on May 10 and PMs on May 11.

19. (SBU) The maneuvering within the SEECP is now shifting to the question of the leadership of the proposed Brussels liaison office. In its note agreeing to the nominees, Belgrade also served notice that it will expect a prominent role, most notably with regard to heading the Brussels office. It will face competition with incoming SEECP CiO Bulgaria, which has also signaled its desire to lead the office. For his part, the initial Serbian candidate, former Serbia-Montenegro FM and SP Working Table I Chair Goran Svilanovic has probed for support to open the door for him to become a candidate for Brussels. Stability Pact sources indicate that he faces dim prospects, given that Serbian PM Kostunica and others will not accept him for the role because of his liberal stance on Kosovo and the fact that the RCC will need active Serbian engagement in regional cooperation if it is to succeed.

110. (U) Looking ahead on the Stability Pact transition, the accepted timetable through February 2008 calls for an energetic effort to conclude a seat agreement for the RCC secretariat by June 30, and the Bosnians have indicated that they expect to meet this

deadline. The timetable then allows six months (through December) for SEECP governments and UNMIK/Kosovo to complete internal procedures and in some cases, Parliamentary ratification before the agreement takes effect. Work on a separate agreement to establish the Brussels liaison office would proceed through the fall, although it is likely that it will be completed later in the spring of 2008.

The successful SG nominee would begin to engage on the transition agenda as early as June, when he would be expected to attend the initial PolDir's meeting hosted by the incoming Bulgarian SEECP CIO as well as a couple of Stability Pact meetings, at the working tables or perhaps even the scheduled ministerials (Information Society on June 21 in Sarajevo and Investment Compact in early July in Belgrade). The main push to organize the RCC secretariat and to prepare the final transition would come in the fall, after the summer holiday period.

¶11. (SBU) Final Note: With Kosovo negotiations at a critical juncture, Russian participation in the SEECP Summit is of considerable interest. At this point, Russian Ambassador to Croatia Konarovsky will represent Russia at the May 10 Stability Pact Regional Table, but we have heard nothing further from the Croatian hosts with respect to the SEECP FM and PM meetings since Grigic indicated some weeks ago that FM Lavrov would be invited. Russian participation in the Stability Pact has been low key or non-existent over the years. End Comment.

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